

**MIAMI-DADE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
GENERAL SEGMENT
YEAR ENDED SEPTEMBER 30, 2000**

Section I - Summary of Auditor's Results: KPMG LLP

Financial Statements:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Reportable conditions identified	
not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	No
Reportable conditions identified	
not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs?	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133?	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.500	Federal Transit Capital Improvement Grants
20.507	Federal Transit Capital and Operating Assistance Formula Grants
93.574	Childcare for Families at Risk of Welfare Dependency
N/A	Office of Foreign Disaster System

Dollar threshold used to distinguish between Type A and Type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	Yes

**MIAMI-DADE COUNTY HOUSING AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2000**

Section I - Summary of Auditor's Results: Watson Rice LLP

Financial Statements:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Reportable conditions identified	
not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	Yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	No
Reportable conditions identified	
not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance for major programs?	Qualified
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133?	Yes

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.182	Section 8 Private Rental - Existing Housing and State Agency and Substantial Rehabilitation and New Construction
14.195	Section 8 Assistance Payments - Special Allocation
14.218	Community Development Block Grant Program - FSS and 1997-1999
14.238	Shelter Plus Program
14.850	Owned Rental Housing
14.854	Drug Elimination Program

MIAMI-DADE COUNTY HOUSING AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2000
(Continued)

Identification of major programs (continued):

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.855	Section 8 Private Rental - Vouchers
14.856	Section 8 Private Rental - Moderate Rehabilitation
14.857	Section 8 Private Rental - Certificates
14.859	Comprehensive Grant Program

Dollar threshold used to distinguish between
Type A and Type B programs:
Auditee qualified as low-risk auditee?

\$300,000
No

**MIAMI-DADE WATER AND SEWER DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2000**

Section I - Summary of Auditor's Results: KPMG LLP

Financial Statements:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Reportable conditions identified	
not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	No
Reportable conditions identified	
not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs?	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133?	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
66.468	EPA State Revolving Fund - Drinking Water Act
83.544	FEMA - Disaster Relief Grants

Dollar threshold used to distinguish between Type A and Type B programs:	\$407,819
Auditee qualified as low-risk auditee?	Yes

**MIAMI-DADE AVIATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2000**

Section I - Summary of Auditor's Results: Ernst and Young LLP

Financial Statements:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Reportable conditions identified	
not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	No
Reportable conditions identified	
not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs?	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133?	Yes

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**MIAMI-DADE COUNTY PUBLIC HEALTH TRUST
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2000**

Section I - Summary of Auditor's Results: KPMG LLP

Financial Statements:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Reportable conditions identified	
not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	No
Reportable conditions identified	
not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs?	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133?	Yes

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.914	HIV Cluster Ryan White Comprehensive AIDS Resource Emergency Act
93.584	Health Services for Refugees and Entrants

Dollar threshold used to distinguish between Type A and Type B programs:	\$341,330
Auditee qualified as low-risk auditee?	No

SECTION II - FINANCIAL STATEMENT FINDINGS

MIAMI-DADE COUNTY GENERAL SEGMENT - KPMG LLP

None.

MIAMI-DADE COUNTY HOUSING AGENCY - Watson Rice LLP

None.

MIAMI-DADE COUNTY WATER AND SEWER DEPARTMENT - KPMG LLP

None.

MIAMI-DADE COUNTY AVIATION DEPARTMENT - Ernst and Young LLP

None.

MIAMI-DADE COUNTY PUBLIC HEALTH TRUST - KPMG LLP

None.

**MIAMI-DADE COUNTY, FLORIDA
HOUSING AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000**

Funding Source/ Program Name	CFDA/ Grant/Contract Number	Findings/Response
Item 00-1 U. S. Department of Housing and Urban Development:	14.238	<p><u>Condition:</u></p> <p>One (1) out of ten (10) tenant's files tested was missing the last annual inspection report. The annual inspection of this unit was due in January 2000.</p> <p><u>Criteria:</u></p> <p>Housing assistance under the Shelter Plus Care Program must meet applicable housing quality standards under 24 CFR Section 882.109 and 882.803, which requires that inspection of the unit must be performed at initial leasing and annually thereafter.</p> <p><u>Effect of Condition:</u></p> <p>If not corrected the Agency may not be in compliance with HUD documentation requirements.</p> <p><u>Recommendation:</u></p> <p>Procedures should be implemented to provide assurance that HUD documentation requirements are met.</p> <p><u>Management's Response:</u></p> <p>As referenced in US HUD's Code of Federal Regulation #24.582.305, MDHA has procedures to comply with which provide assurance that HUD documentation requirements are met. However, due to an oversight, the annual inspection for the unit occupied by a Shelter Plus Care tenant was never scheduled or completed. The 2001 annual inspection of the unit was scheduled for completion during the subsequent period.</p> <p>Management has reviewed this finding with staff and instructed them to ensure that the Agency's procedures are adhered to.</p>

**MIAMI-DADE COUNTY, FLORIDA
HOUSING AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000**

Funding Source/ Program Name	CFDA/ Grant/Contract Number	Findings/Response
Item 00-2 U. S. Department of Housing and Urban Development:	14.872	<p><u>Condition:</u></p> <p>The Capital Fund Program (CFP), was charged with \$1.7 million in administrative expenses, as of September 30, 2000, prior to approval from U.S. HUD of the grant application.</p> <p><u>Criteria:</u></p> <p>The grant agreement provides that the grant period starts October 1, 2000.</p> <p><u>Effect of Condition:</u></p> <p>Expenses charged to the Capital Fund Program may be disallowed by U.S. HUD.</p> <p><u>Questioned Costs:</u></p> <p>\$1.7 million.</p> <p><u>Recommendation:</u></p> <p>The Agency should request written approval from U.S. HUD on the allowability of the \$1.7 million administrative expenses.</p> <p><u>Management's Response:</u></p> <p>Miami-Dade Housing Agency (MDHA) consulted with U.S. HUD prior to making this decision. MDHA was informed that under the fungibility concept, the transfer of expenses, including administrative expenses, from one budget year to another is an eligible transaction. As per Comprehensive Grant Program Handbook (HUD 7485.3), this transaction does not require prior HUD approval.</p> <p>Management has requested written confirmation of this response from US HUD's field office.</p>

**MIAMI-DADE COUNTY, FLORIDA
HOUSING AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000**

Funding Source/ Program Name	CFDA/ Grant/Contract Number	Findings/Response
Item 00-3 U. S. Department of Housing and Urban Development:	14.850	<p><u>Finding:</u></p> <p>During our audit, we noted 1 out of 4 contract bid files selected for testing did not contain a copy of an Invitation for Bid (IFB) or Request for Proposal (RFP).</p> <p><u>Reasons Improvement Needed:</u></p> <p>HUD requires that an IFB be used for the sealed bid method or an RFP be used for the competitive proposals method that contains specifications pertaining to the project.</p> <p><u>Cause of Condition:</u></p> <p>Contract bid files that are several years old or have been extended may have certain documents placed in storage.</p> <p><u>Effect:</u></p> <p>By not having the proper documentation in the contract bid file, it appears that the proper bidding was not performed and the Agency may be non-compliant with HUD guidelines.</p> <p><u>Questioned Costs:</u></p> <p>None</p> <p><u>Management's Response:</u></p> <p>To prevent similar findings, management has requested that its procurement staff advise the Director of Finance and Administration when specified bid numbers or invitations to bid cannot be obtained from the Department of Procurement Management (DPM). MDHA's procurement staff will maintain a list of bid numbers requested from DPM for which the actual bid documents were not received.</p> <p>Until GSA's computer system provides for direct access to the bid files, MDHA's Director of Finance and Administration will follow-up to ensure that the bid documents are received for MDHA's records.</p>

**MIAMI-DADE COUNTY, FLORIDA
HOUSING AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000**

Funding Source/ Program Name	CFDA/ Grant/Contract Number	Findings/Response
Item 00-4 U. S. Department of Housing and Urban Development:	14.850	<p><u>Condition:</u></p> <p>During our prior year's audit, we noted that documentation of credits to the escrow account of each participating Family Self Sufficiency ("FSS") family and the distribution of the annual report on the status of each family's FSS funds were not on file.</p> <p>The same deficiency was noted in the current year's audit. In addition, the FSS escrow subsidiary ledgers of each participating FSS family, were not updated to reflect the transactions during the fiscal year 2000.</p> <p><u>Management's Response:</u></p> <p>During the FY 2000 audit period, there was a delay by Private Rental Division on entering family report data into the CCS computer system. Therefore, the FSS reports referred to were not updated to apply the monitoring procedures.</p> <p>Management has implemented the following corrective actions during the subsequent period.</p> <ol style="list-style-type: none"> 1) The FSS Unit has been placed online to Agency's in house computer system known as CCS. This will enable staff to update the participating family files in a timelier manner. 2) The FSS Unit's computer equipment has been upgraded. 3) Specific staff have been assigned to work on a complete update of the Family Reports, which are necessary to determine the escrow amounts and interest income. <p>Management will follow-up on above referenced corrective action by including in its monthly meetings an update on FSS client listing and escrow balances. Management has also issued a directive for better coordination of this program between all MDHA divisions that are involved.</p>
Per Watson Rice LLP Single Audit Report, Item 00-I/I-3		

**MIAMI-DADE COUNTY, FLORIDA
AVIATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000**

Funding Source/ Program Name	CFDA/ Grant/Contract Number	Findings/Response
Item 00-5 Federal Aviation Administration:	CFDA #20.106 3-12-0047-13 3-12-0049-30	<u>Criteria:</u>
Per Ernst & Young LLP Single Audit Report, Item 00-1	3-12-0049-32 3-12-0049-33 3-12-0049-34 3-12-0050-04	In accordance with 49 United States Code (U.S.C.), section 47107, recipients of Federal Aviation Administration ("FAA") grant funds are required to use airport-generated revenues for airport operating and capital costs. The FAA Authorization Act of 1994 (the Act) added new policies for the enforcement against prohibited diversion of revenue. Section 112 (a)(2) of the Act prohibits the diversion of airport revenue for several expenditures including use of airport revenues for general economic development, marketing and promotional activities unrelated to airports or airport systems.
		<u>Condition:</u>
		We selected a sample of promotional expenditures and determined that two expenditures did not appear to meet the criteria for the general economic development, marketing and promotional activities related to airports or airport systems.
		<u>Questioned Costs:</u>
		\$292,500
		<u>Context:</u>
		The sample of promotional expenditures tested for fiscal year 2000 totaled \$727,101, or 88% of total promotional expenditures of \$822,884.
		<u>Effect:</u>
		The FAA has determined that the two promotional expenditures in question paid by the Aviation Department are not allowable due to the fact that such expenditures do not meet the criteria that airport generated revenue be used for airport operating or capital costs or for general economic development, marketing and promotional activities related to the airport.

**MIAMI-DADE COUNTY, FLORIDA
AVIATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000**

Funding Source/ Program Name	CFDA/ Grant/Contract Number	Findings/Response
Item 00-5 Federal Aviation Administration:	CFDA #20.106 3-12-0047-13 3-12-0049-30	<u>Recommendation:</u>
Per Ernst & Young LLP Single Audit Report, Item 00-1	3-12-0049-32 3-12-0049-33 3-12-0049-34 3-12-0050-04	The Aviation department should continue to enforce its policies and procedures to ensure that it meets FAA guidelines requiring all promotional expenditures be incurred for the general economic development, marketing and promotional activities related to Miami International Airport. In addition, in cases where questions arise as to the propriety of promotional expenses, the Aviation Department should consider consulting with the appropriate FAA officials to obtain guidance.
		<u>Management's Response:</u>
		The Aviation department has consistently enforced and adhered to all requirements under the Federal Aviation Administration (FAA) Authorization Act pertaining to the use of airport revenues. The two promotional expenditures cited herein were paid by the Aviation Department as part of its marketing and promotional activities. Management believes that these two expenditures along with its promotional strategy fall within the final policy and procedures issued by the FAA on February 16, 1999, concerning the use of airport revenue as described under the Federal Register volume 64 number 30. The Department is in the process of providing justification to the FAA that these costs directly benefit the airport.
		<u>Corrective Action Plan:</u>
		The Aviation Department will continue to adhere to the FAA compliance requirements and enforce its policies and procedures to ensure that all promotional expenditures fall within the FAA guidelines.

**MIAMI-DADE COUNTY, FLORIDA
PUBLIC HEALTH TRUST
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000**

Funding Source/ Program Name	CFDA/ Grant/Contract Number	Findings/Response
Item 00-6 Public Health Trust	CFDA 93.914	<u>Criteria:</u>
Per KPMG LLP Single Audit Report, Item 00-1		Reporting and Cash Management - Report and invoice Miami-Dade County, Florida monthly, on or by the 20th day of the month following the month in which services were provided.
Ryan White Comprehensive AIDS Emergency Resource Act		<u>Condition:</u> As part of our testing of the grant program CFDA 93.914, we judgementally selected 6 out of 12 months reporting packages. We noted that none of the reports selected were submitted by the required timeframe. This is considered a systemic problem. <u>Questioned Costs:</u> None. <u>Effect:</u> The delay in submitting the reporting packages could render Public Health Trust in noncompliance with Article VII of the Professional Service Agreement in which Miami-Dade County, Florida may require Public Health Trust to forfeit its claim to any payments for that particular month or Miami-Dade County, Florida may invoke the termination provision in the agreement. <u>Recommendation:</u> The Trust should establish procedures to insure that reporting packages are prepared, reviewed, and submitted to Miami-Dade County, Florida on or by the 20th day of the month following the month in which services were provided.